

Frequently Asked Questions Regarding the Nevada Business License Fee As of October 1, 2009

What is the State Business License and who is required to file?

State law requires that every person or entity doing business in the State of Nevada obtain a business license annually. A business that meets the criteria shall not do business in the state of Nevada without the State Business License. Certain businesses may be exempt from the state business license requirement.

What is the cost of a State Business License and when is it due?

The State Business License Fee is \$200 and must be renewed annually.

For entities that are formed under NRS Title 7, the business license fee is due at the time an Initial List of Officers or Annual List of Officers is due. The State Business License Fee is in addition to the fees for the initial or annual list.

For Non-Title 7 businesses (NT7) such as sole proprietors and partnerships, the business license application is required as soon as you begin to conduct business in Nevada.

Check, debit card, e-check, trust account, credit card and cash (only in-person) are accepted forms of payment.

How do I obtain/apply for a State Business License?

Effective October 1, 2009 a business must apply for the State Business License with the Office of the Secretary of State.

For Title 7 entities, the application for a business license is part of the Initial List or Annual List of Officers filing and can be filed **online** at www.nvsos.gov, by **mail** or **in-person**.

For Sole proprietors and partnerships a State Business License can be filed **online** at www.nvsos.gov, by **mail**, or **in-person**.

All filings must be accompanied by all appropriate fees at the time of filing or the filing will be rejected and additional fees and penalties may apply.

What do I receive when I submit for a State Business License?

You will receive a license indicating the effective term of the business license and a receipt.

What is a Title 7 entity?

A Title 7 entity is an entity organized pursuant to the laws of Nevada and has filed formation documents with the Office of the Secretary of State. Title 7 entities are required to file an Annual List of Officers or its equivalent and include domestic and foreign qualified corporations, limited liability companies, limited partnerships, limited liability partnerships, limited liability limited partnerships and business trusts.

What is a non-Title 7 or NT7 business?

A non-Title7 (NT7) business is a sole proprietorship or partnership doing business in Nevada that is not required to file its organizational documents with the Office of the Secretary of State. NT7 businesses doing business in the state of Nevada are required to maintain a State Business License unless specifically exempt.

What businesses are exceptions to or exempted from needing a State Business License?

Nevada nonprofit corporations formed under NRS Chapter 82 and Corporations Sole formed under NRS Chapter 84 are specific exceptions and are not required to obtain a State Business License.

In addition, specific statutory provisions exempt certain businesses from the requirements of the State Business License. These businesses must still initially submit the form, WITHOUT FEE stating the specific exemption. The Statutory exemptions are as follows:

- A governmental entity.
- (b) A nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).
- (c) A person who operates a business from his home and whose net earnings from that business are not more than 66 2/3 percent of the average annual wage, as computed for the preceding calendar year pursuant to chapter 612 of NRS and rounded to the nearest hundred dollars.
- A natural person whose sole business is the rental of four or fewer dwelling units to others.
- A business whose primary purpose is to create or produce motion pictures. As used in this paragraph, "motion pictures" has the meaning ascribed to it in NRS 231.020.

What if I fall in the group of businesses that are not required to secure a State Business License?

Except for entities formed under NRS Chapters 82 and 84, all businesses that are exempt are required to cite their exemption on the Initial/Annual List of Officers for Title 7 entities, and for NT7 on the application with the Office of the Secretary of State.

Why do I need to file a notice of exemption?

Since a business license is required for the conduct of business in this State, not filing a notice of exemption may cause your entity to show as default and prevent you from obtaining other licenses, permits, etc. with the State or other agencies.

For Title 7 entities who qualify for an exemption the notice will ensure that if you file your Annual List of Officers, but it is missing payment for the business license fee, that the entity status is not compromised.

This will also ensure that your entity is listed as "in good standing" on the Nevada Business Entity Search at www.nvsos.gov if you are in compliance with the law.

What is the renewal fee and when is it due?

The renewal fee is \$200 and business entities which have a State Business License shall pay the renewal fee based on their anniversary date. For Title 7 entities this date coincides with due date of the Annual List of Officers.

For sole proprietors and partnerships, the Business License must be renewed on or before the expiration date listed on the license.

Is there a penalty for late filing of the State Business License?

A business that fails to submit the annual fee required by the due date shall pay a penalty in the amount of \$100 in addition to the annual fee. With the transfer of administration for the issuance of the business license from the Department of Taxation to the Office of the Secretary of State, there is a penalty grace period through January 31, 2010. For any business that has an expiration date or an Initial or Annual List of Officers due date between October 1, 2009 and January 31, 2010, but fails to pay the business license fee by its due date, has until January 31 to come into compliance without a penalty. Effective February 1, 2010, all delinquent licenses will be assessed the penalty fee.

Will a List of Officers or a Business License Application be rejected if not accompanied by the fees?

Yes, in order for a List of Officers or Business License Application to be complete all required fields must be filled in and the application must be accompanied by the appropriate fees, including any applicable penalties. Applications and renewals that are incomplete or that do not include the appropriate fees and penalties will be rejected and additional fees and penalties may apply.

What does it mean if I am in default? If your entity status is listed in default it means you did not submit or renew your business license by the expiration date and/or if you are a Title 7 entity you did not file an Initial or Annual List of Officers by the due date.

Will the Department of Taxation be notified if my business license is in default? Yes, the Department will be notified of businesses in default which may result in the revocation of certain privileges.

If my business goes into default how do I gain active status again? You renew your license by submitting your application (NT7) or Initial or Annual List of Officers (Title 7) and paying all associated fees and penalties.

I am applying for a local business license, how can I prove that I have a current state business license? Your State Business License is proof; or you may visit www.nvsos.gov and utilize the Nevada Business Search to verify the status of your business/license.

What is the Nevada Business Identification #? This is a unique number assigned to every business entity in the State of Nevada. For Title 7 entities, this is the number assigned to your entity when you filed your organizational documents. For non-Title 7 entities (NT7) already in the Secretary of State system, this is the number on your Secretary of State issued Business License. New NT7 applicants will receive Nevada Business ID # upon issuance of the State Business License.

I need a copy of my Business License, is there a fee and how do I obtain a copy? There is no charge for a copy and copies are only available online.

I have filed my articles of incorporation, when must I file my Initial List of Officers and pay the State Business License fee?

Your initial list of Officers and Business License fee are due no later than the last day of the month following the filing of your organizational documents. This applies only to Title 7 entities that file their organizational documents with the Office of the Secretary of State.

Can I file an Initial/Annual List of Officers and Business License separately? No, the Initial/Annual List of Officers and the business license must be filed together.

Can I expedite my business license application/renewal? No, but if you complete the application/renewal online, the filing is effective immediately.

However, a Title 7 entity filing its Initial or Annual List of Officers on an expedited basis will include the State Business License for no additional expedite fee.

Am I required to notify the Secretary of State or the Department of Taxation if I close my business? Pursuant to NRS, a sole proprietor or general partnership (NT7) who ceases to do business in the state of Nevada must notify the Secretary of State not less than 10 days prior to the expiration of the State Business License to avoid the annual fee and a penalty for non-payment.

Title 7 entities must file dissolution or other terminating documents with the Secretary of State in order to avoid the annual fee and a penalty for non-payment.

You may be liable for any legal requirements governing a business in the State of Nevada if you fail to cancel or file dissolution/terminating documents.

Can I call, email or send a letter indicating that I am closing my business? No, non-title 7 entities such as sole proprietors or general partnerships must complete a cancellation form online at www.nvsos.gov under state business license. Once the form is received the status will change from listing an expiration date to "cancelled".

Title 7 entities must file dissolution or other terminating documents with the Secretary of State.

Will the Department of Taxation be notified of my cancelled status? Yes, the Secretary of State provides information to the Department of Taxation on all cancelled businesses.

If I cease doing business in Nevada am I eligible for a refund for any part of the unexpired State Business License? No portion of the fee may be refunded.

What happens if I let my entity go into default and/or revocation by not filing an annual list or business license renewal? After one year, all default entities go into revoked status, in order to revive an entity all back fees and penalties including the business license fee must be paid.

Is there an additional fee for using the online service? No, there is no additional fee.

Will the Business Entity Search list the status of my business license?

Yes, the business entity search will list all entities that have been issued a business license and the expiration date or other status of the license.

Are real estate agents and brokers required to obtain a State Business License?

Yes, they are not considered to be working from their personal residence and are required to secure a State Business License.

What about Nevada Business Registration (NBR) form I filled out previously?

The NBR no longer satisfies the requirements for filing for a State Business License, you must use the forms/process prescribed by the Office of the Secretary of State. This form may still be required for registration with other state agencies such as Department of Taxation and Department of Employment, Training & Rehabilitation (DETR) and local government agencies.

I am a non profit, am I required to have a State Business License? Non profit entities organized pursuant to NRS chapter 82 are not required to have a State Business License.

I am a Corporation Sole, am I required to have a State Business License? Corporations Sole, organized pursuant to NRS chapter 84 are not required to have a State Business License.

Are there any other requirements for businesses obtaining a State Business License? NRS 372.220 requires that every business that purchases tangible personal property for storage, use or other consumption in this State must register with the Department of Taxation for a Use Tax Account. Once you have been issued a business license by the Secretary of State, contact the Department of Taxation to determine if you are required to register for the Use Tax account.